

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:)	
)	Chapter 11
SHERMAN WIRE COMPANY,)	
f/k/a DESOTO, INC.,)	No. 04-22425
)	
)	
Debtor.)	PROOF OF CLAIM
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PROOF OF CLAIM OF THE UNITED STATES ON BEHALF OF
THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

1. This Proof of Claim is filed by the United States at the request of the United States Environmental Protection Agency ("EPA"). The Attorney General is authorized to make this Proof of Claim on behalf of the United States. This Proof of Claim relates to the recovery of environmental response costs incurred or obligated or that will be incurred or obligated by EPA under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§ 9601 et seq. for which the debtor is liable with respect to a facility in Washington Township, New Jersey (the "Pascale Facility").

2. The debtor is liable to reimburse the United States for the costs (plus interest) of actions taken or to be taken by the United States in response to releases and threatened releases of hazardous substances at the Pascale Facility. The debtor is liable to the United States pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), as amended by the Superfund Amendments and

Reauthorization Act of 1986, for response costs incurred or to be incurred by the United States with respect to the Facility because United Wallpaper, Inc. ("United") operated an incendiary bomb manufacturing facility at the Site during World War Two. Specifically, between 1943 and 1945, United operated the Site for the manufacture of M-69/napalm bombs. Unused and discarded ordnance was buried at the Site, and residents in the area have found several hundred burned bomb canisters and fuzes at the Site. Debtor is the legal successor in interest to United. There have been releases or threats of releases of hazardous substances at the Pascale Facility. Response costs have been and will be incurred by EPA at the Pascale Facility not inconsistent with the National Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, and set forth at 40 C.F.R. ¶ 300, as amended. Other potentially responsible parties may along with the Debtor also be jointly and severally liable to the United States under CERCLA with respect to the Pascale Facility.

3. EPA has performed a removal action at the Pascale Facility. EPA utilized the services of unexploded ordnance specialists to remove buried ordnance at the Site. Removal activities included identifying, removing, and disposing of any ordnance-type material. Trenches and burial pits containing a large quantity of ordnance items were discovered at the Site. Soil was excavated from these trenches and pits and screened to

recover fuzes and bombs. Any ordnance material discovered on the surface or buried below was removed and secured on-site for detonation and/or disposal. The total number of ordnance items recovered included: 22,766 empty M-69 bomb casings; over 650,000 inert fuzes; 4 inert M-2 rockets; 267 live M-69 bombs; 99 M-50 live bombs; 730 live fuzes; and 31 M-1 fuze primers. All of the live ordnance found, which was a total of 1,127 items, were destroyed.

4. The United States has incurred unreimbursed response costs through July 31, 2004 of approximately at least \$2,441,702 with respect to the Pascale Facility. The debtor is therefore liable to the United States for at least this amount plus interest.

5. No judgments against the debtor have been rendered on this Proof of Claim.

6. No payments have been made by the debtor on this claim.

7. This claim reflects a known liability of the debtor to the United States on behalf of EPA. The United States reserves the right to amend this claim to assert subsequently discovered liabilities. This proof of claim is without prejudice to any right under 11 U.S.C. § 553 to set off, against this claim, debts owed (if any) to the debtor by this or any other federal agency.

8. The United States has not perfected any security interest on its claim against the debtor.

9. This claim is filed as a general unsecured claim except to the extent of any secured/trust interest in insurance proceeds received by the Debtor on account of environmental claims of the United States.

Respectfully submitted,

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